

2011-2014 Agricultural Value Assessments



2010 Conference on
Assessment Administration

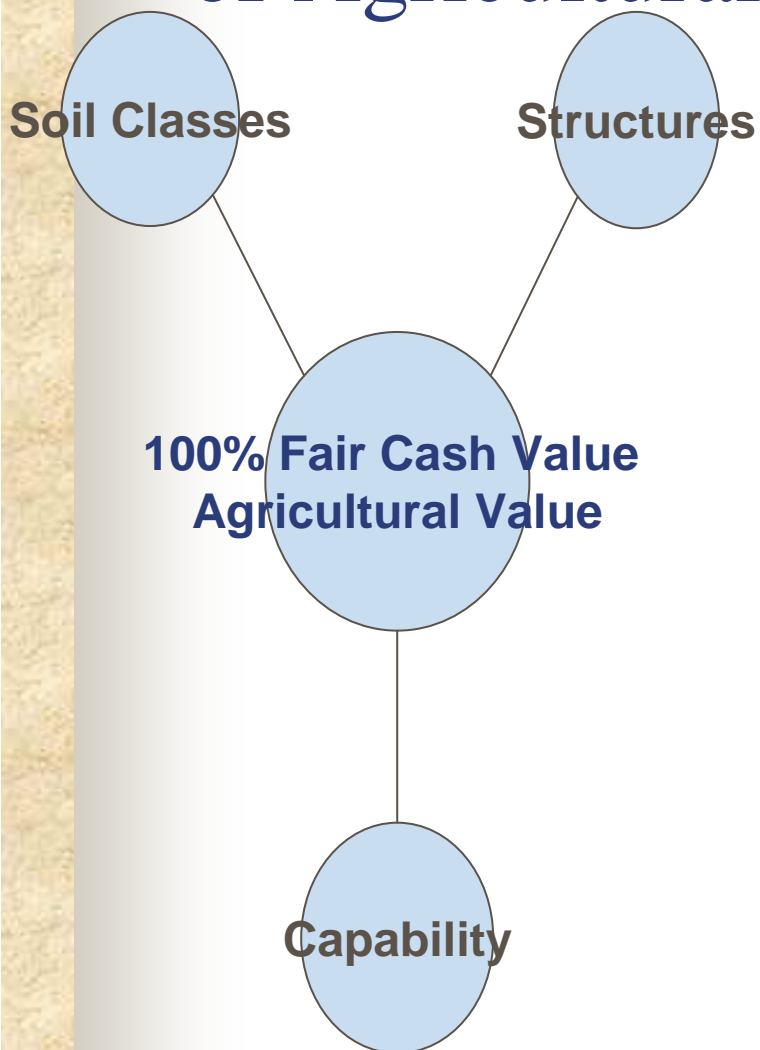
Kentucky Dept. of Revenue



History & Legal

- Kentucky Constitution Section 172
- 1792 – Per 100 Acres
- 1793 – First Land Rates
- 1814 – Revenue Law (Ad Valorem)
- 1965 – Russman v. Lockett (100%)
- 1969 – Amended Section 172A
- 1984 – Land v. Dolan (Equal Burden)
- 1996 – Farm Assessment Guidelines
- 1999 – Update Farm Guidelines
- 2002 – Update Farm Guidelines
- 2006 – Update Farm Guidelines
- 2010 – Update Farm Guidelines

Considerations in Assessment of Agricultural Lands



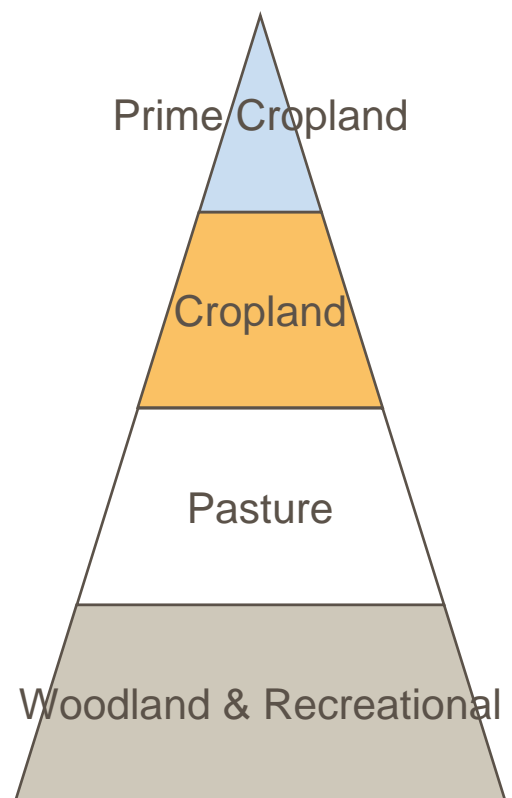
- Soil Typing & Land Classes
- Structures
- Historical, Present, and Typical Use

Types of Lands

- Prime Cropland
- Cropland
- Pastureland
- Woodland & Recreation

- Soil Class I
- Soil Class II
- Soil Class III
- Soil Class IV
- Soil Class V
- Soil Class VI
- Soil Class VII
- Soil Class VIII

- Woodland Groups





Methodology

- **Capitalized Income for Agricultural Value of Land and Sales Comparison for Fair Cash Value of Land**
- **Cost Approach or Sales Comparison for Fair Cash Value of Structures.**

Assessment Cycle





Considerations

- Constitutional
- Statutory
- Recommended Guideline
- Soil Classification
- Structures
- Use – Capability
- Agricultural – Taxable Value
- Fair Cash Value



Using Composite Ratings

- Soil Classification is based primarily on slope and restriction of use.
- Theoretically, if Class I is the best soil, then all other soils would be a percentage of Class I.
- Percentages may be estimated by means of sales analysis or by a crop rotation model.
- These percentages could then be used to obtain a composite rating for all farms in a jurisdiction.



Ideas, Comments, & Suggestions?